

Voluntary Report – Voluntary - Public Distribution

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Report Name: Blueberry Annual

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Post: Lima

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Report Highlights:

Following nearly exponential growth in the last decade, Peru's blueberry export volume fell in 2023 as a result of warmer weather conditions, especially in the principal production areas of northern Peru, which severely limited flowering between March and October. FAS Lima forecasts Peruvian blueberry production for marketing year (MY) 2023/24 (May 2023 to April 2024) to reach 195,000 metric tons (MT), with exports expected to reach 165,000 MT, a 43 percent decrease from the previous MY. Peru's unexpected production drop resulted in higher prices, leading to a 28 percent increase in the value of exports in calendar year 2023.

Table 1. Production, Supply, and Distribution; Fresh Blueberries (MT)

Peru Summary Table for Estimated Fresh Blueberry Production					
Blueberry, Fresh Market Year Begins	2020/2021	2021/2022	2022/2023	2023/2024*	
	May 2020	May 2021	May 2022	May 2023	
Peru	New Post	New Post	New Post	New Post	% change from prev. year
Area Harvested (HA)	13,500	16,500	17,500	18,000	3%
Production (MT)	175,000	240,000	310,000	195,000	-37%
Imports (MT)	0	0	0	0	
Imports from U.S. (MT)	0	0	0	0	
Total Supply (MT)	175,000	240,000	310,000	195,000	-37%
Exports (MT)	155,000	219,000	287,000	165,000	-43%
Exports to the U.S. (MT)	84,000	121,000	154,000	87,000	-44%
Total Consumption (MT)	20,000	21,000	23,000	30,000	
Total Distribution (MT)	175,000	240,000	310,000	195,000	-37%

*FAS Lima forecast

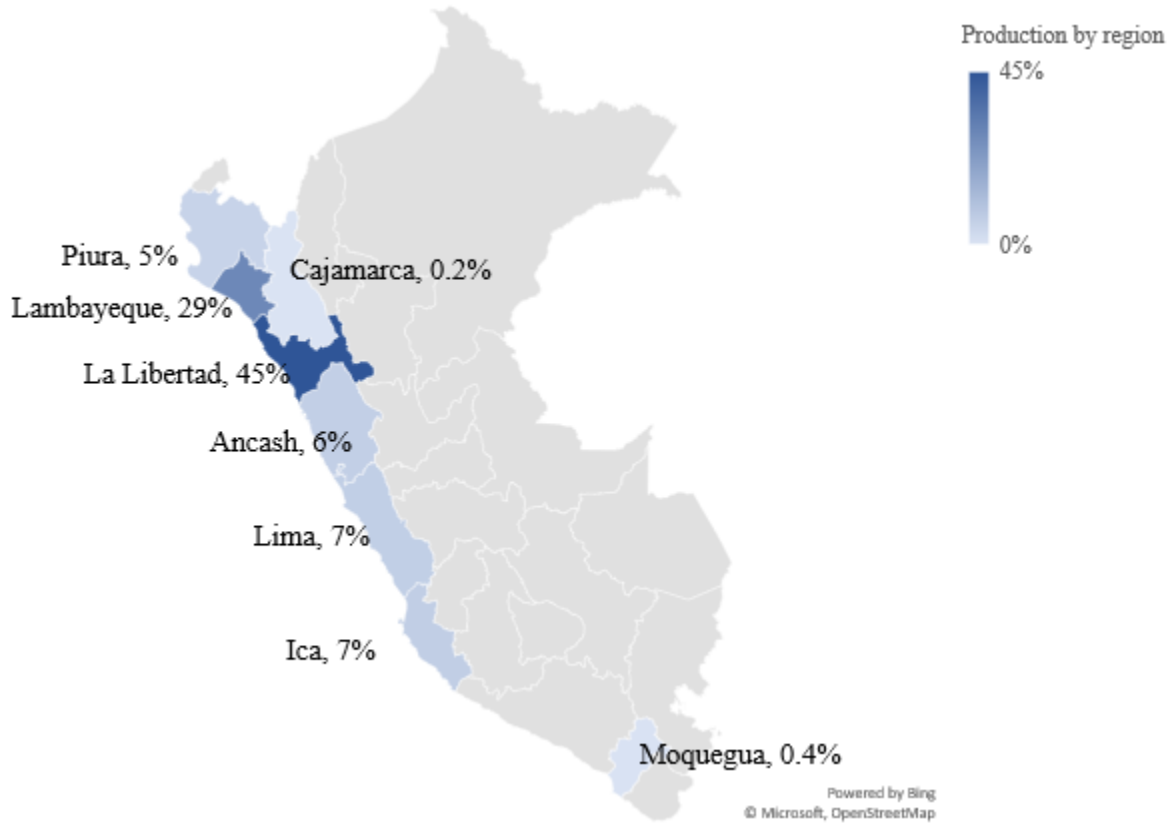
Production

FAS Lima expects Peruvian blueberry production to reach 195,000 metric tons (MT) for marketing year (MY) 2023/24 (May 2023 to April 2024), decreasing 37 percent from the previous year. Peru's blueberry production area grew significantly in the past decade, from 80 hectares in 2012 to about 18,000 hectares currently in production, averaging 70 percent annual growth. Adverse weather conditions hit Peru's coastal regions throughout calendar year 2023, especially in northern Peru. An unusual low-pressure system developed in March 2023 off the coasts Ecuador and Peru, generating heavy rains, high temperatures, flooding, and mudslides into May. Following this, a warm fall and winter with temperatures 4 - 5°C above average particularly stressed the Ventura and Biloxi varieties. The Ventura variety currently leads Peru's production, with 35 percent of total harvested area, while Biloxi is a close second at 25 percent. Both varieties fared poorly after high temperatures disrupted the blooming cycles of a significant percentage of plants, leading to reduced fruit. Research into new varieties is strong in Peru, with several companies testing new varieties every year. There are currently 65 varieties across Peru's 18,000 hectares in production, some of which did perform better under the warmer conditions that limited yields. According to Peru's National Meteorology and Hydrology Service (SENAMHI), Peru had its warmest winter in 63 years.

Almost 80 percent of Peru's blueberry fields are centered in the northern coastal regions (Piura, La Libertad, and Lambayeque) where adverse weather conditions hit Peru's blueberry productivity the hardest. FAS Lima has noted that blueberry production in the central coastal Ica region has remained steady despite the weather conditions, but the production volumes are not significant enough to overcome losses in other regions.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Figure 1. Peru's Blueberry Production Regions



Source: FAS Lima

Blueberry production demands a high initial cost of investment - land, technology, genetics, labor, tailored agriculture practices, post-harvest operations, and sophisticated irrigation systems – yet the industry continues drawing interest from local and foreign capital sources. The main costs for establishment are drip irrigation, land, and processing plants. The estimated investment for establishing one hectare of blueberries ranges from \$30,000 to \$150,000, with an average of \$65,000, although several firms have noted more recent investments have averaged \$80,000 or higher. According to FAS Lima contacts and analysis, complete return on investment can be made in as little as two years, even on the higher end of the range. Despite the poor MY 2023/24 season performance, Peru offers the possibility to test new varieties at a fast pace (eight months on average). Currently, companies are testing high performance varieties with a wide range of weather and shipping resilience characteristics.

Peruvian blueberries are produced both in the ground and in pots where soil characteristics are customized. Large net barriers protect the blueberries from the wind and sand. Yields average 15-20 MT per hectare in the ground and 20-35 MT in pots. Also, a sunny, warm, and dry climate with cool nights allow for nearly year-round harvest in most areas. Coastal production areas offer more opportunities to access skilled labor operators, transportation and logistics, irrigation systems, and access to ports and airports.

Peru's blueberry harvest is exclusively hand-picked and labor intensive to avoid fruit damage. According to official data, 135,000 jobs are generated from this industry, with 60 percent of them belonging to women. Specialty, highly skilled harvesting crews are paid more for fruits heading to

higher price markets. Due to lower productivity in the MY 2023/24 season, the industry required just a third of the normal labor force according to FAS contacts, further negatively impacting the economies of Peru's northern regions.

Blueberry consumption is continuously gaining popularity in Peru. Currently, you can find them in supermarkets, wet markets, convenience stores, and fruit stands. Blueberries are consumed on a daily basis in Peru in a variety of ways, such as in smoothies, juices, desserts, cookies, cakes, ice creams, and even cocktails.

Figure 2. Examples of Blueberry Products in the Domestic Market: Left – Blueberry Gin, Right – Blueberry Cookies



Source: IG Boticario

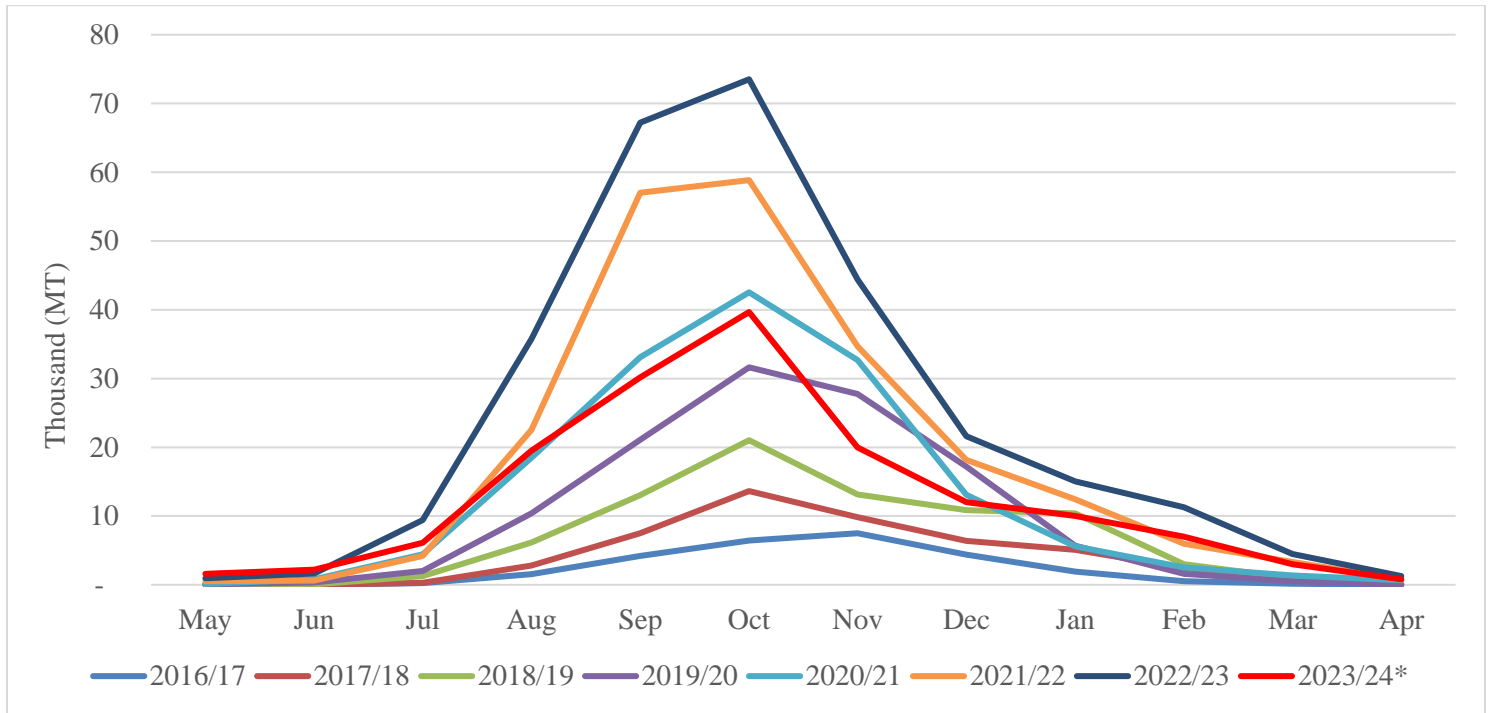


Source: FAS Lima

Trade

FAS Lima forecasts Peruvian blueberry exports to decrease by 48 percent in MY 2023/24, falling to 165,000 MT. In 10 years, Peru's blueberry industry has built a reputation as an innovative, consistent, and quality supplier for global markets. In 2022/23, Peru exported fresh blueberries primarily to the United States (54%), Netherlands (25%), China (8%), Hong Kong (5%), and United Kingdom (5%). Total fresh exports in MY 2022/23 were up 30 percent from the previous year, increasing from 219,000 MT to 287,000 MT. For the U.S. market, Peruvian blueberry exports have grown from 27,000 MT in MY 2016/17 to 154,097 MT in MY 2022/23, a 470 percent increase in just six years.

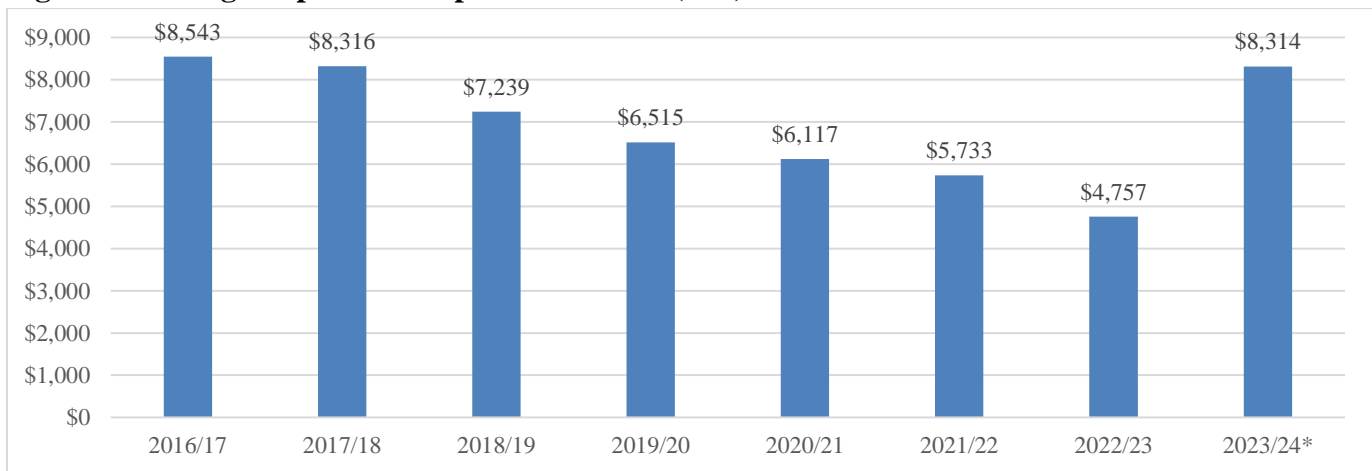
Figure 3. Peruvian Blueberry Monthly Exports



* projected by FAS Lima.

As Peruvian blueberry exports grew from MY 2016/2017 to 2022/2023, export prices began to fall year after year, especially in the last three seasons. However, the average export price so far in MY 2023/24 is \$8,314 per MT*, much higher than expected due to limited supply.

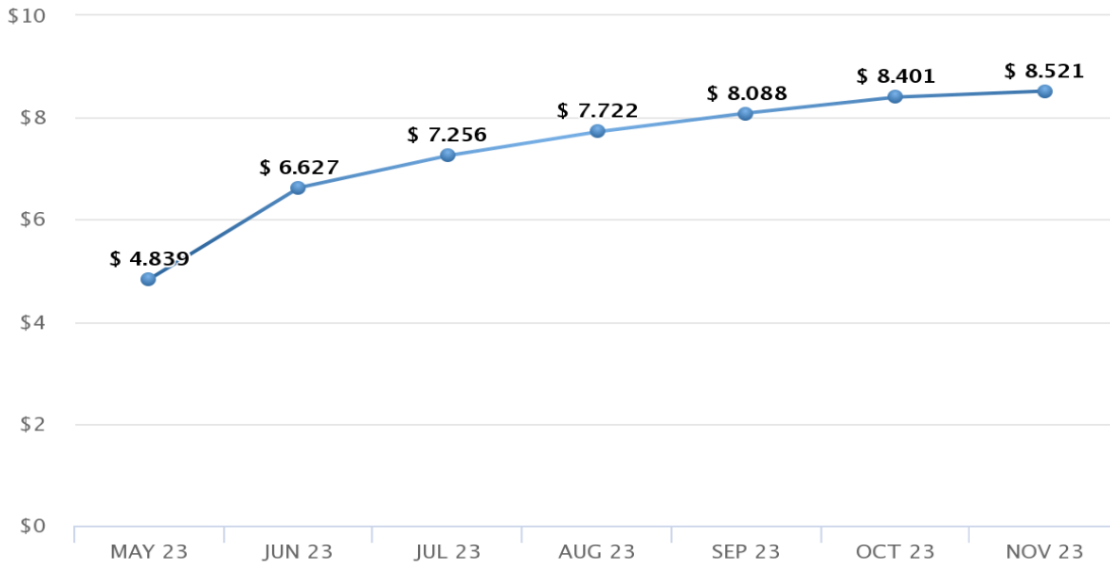
Figure 4. Average Export Prices per Metric Ton (MT)



*May 2023 to mid-December calculation. Source: Peruvian Customs

In MY 2023/24, the average price paid by the United States was \$8,433/MT, the Netherlands 8,044/MT, while Hong Kong paid 7,743/MT, and China \$7,298/MT.

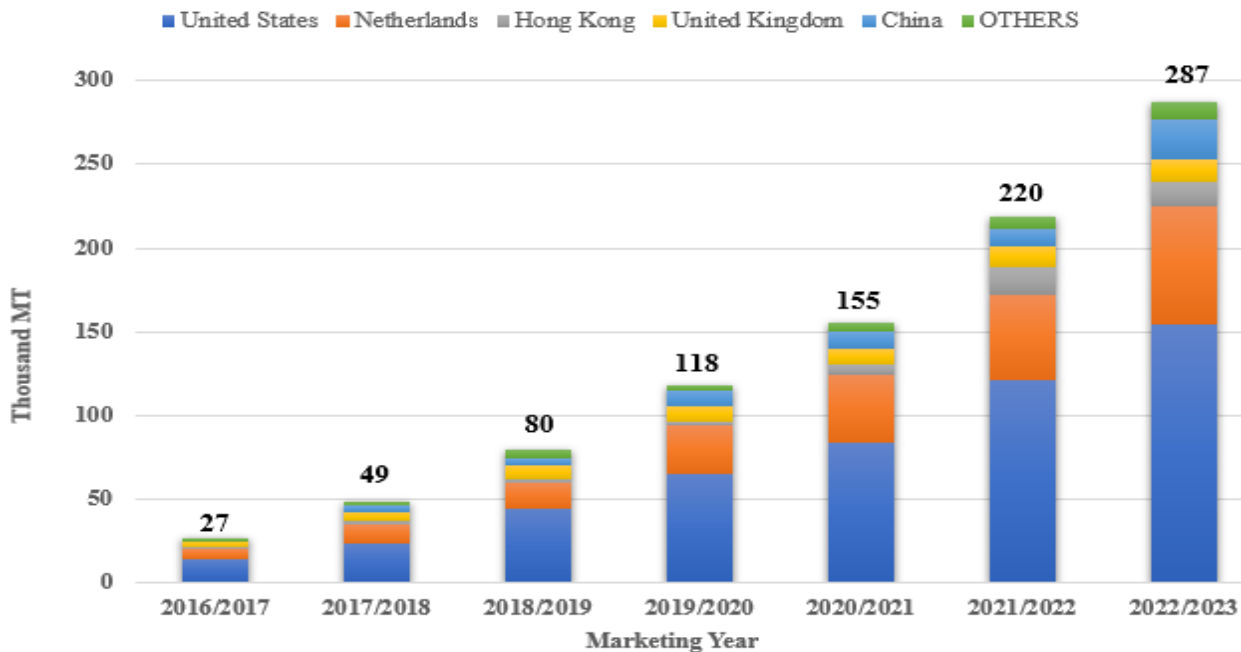
Figure 5. Monthly Average prices from May to November 2023



Source: Peruvian Customs

Average prices of Peruvian blueberries almost doubled from \$4,839 per MT in May 2023 to \$8,521 per MT in November 2023. Prices are expected to remain high in the near term.

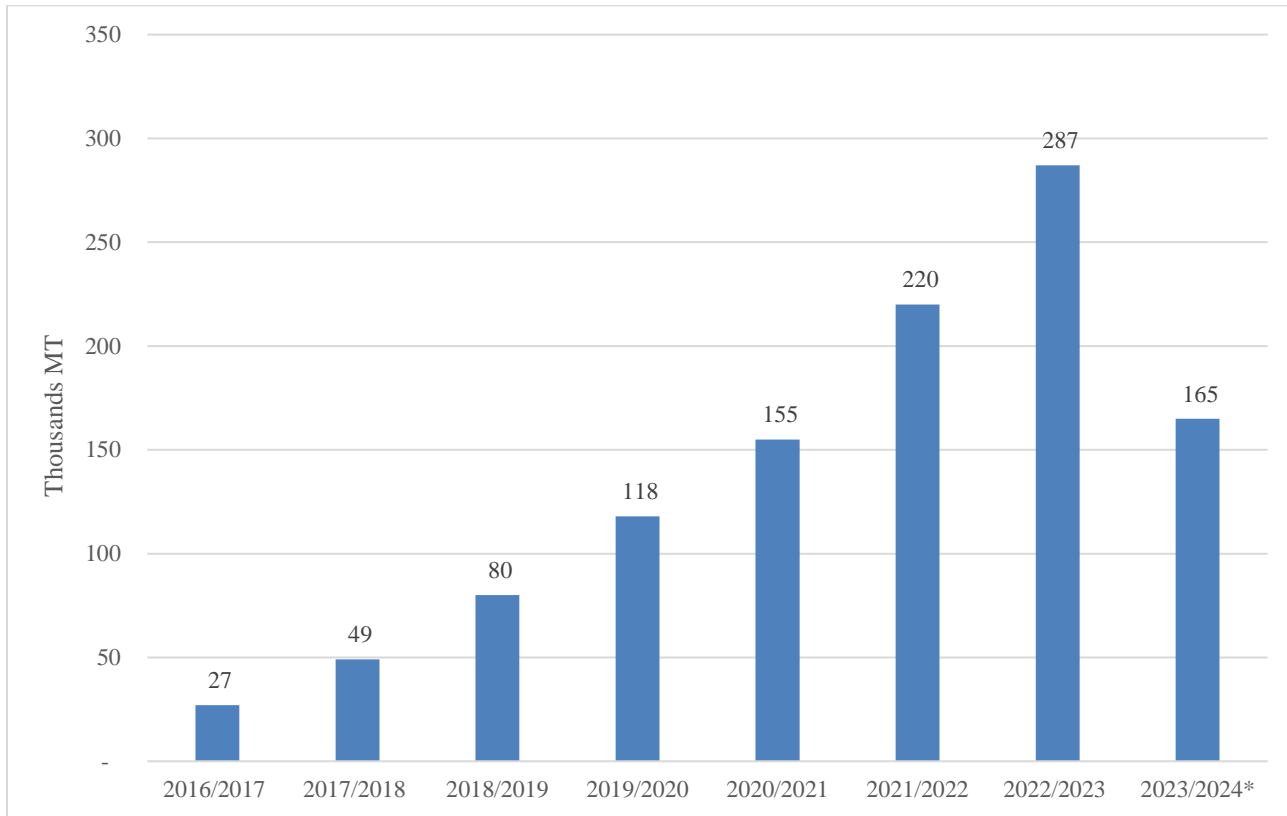
Figure 6. Peruvian Blueberry Exports Destination



Source: Peruvian Customs

In MY 2022/23, the main destination of Peruvian blueberry exports was the U.S. with 54 percent in volume, and (\$714 million) a 53 percent in value. The Netherlands ranked second (\$307 million) a 23 percent, and China with (\$139 million) a 10 percent market share. For MY 2023/24, the forecast is 165 thousand metric tons (MT).

Figure 7. Total Peru Blueberry Exports Comparison per Marketing Year



Source: Peruvian Customs

Fresh blueberries are usually packaged in plastic clamshells and punnet top seal trays weighing 125g (4.4 oz), 150g (6 oz), 200g, 11 oz, flat pint, and 18 oz. For bulk product 2.5 kg, 3.0 kg, or 3.4 kg options are used.

There is a strong foreign investment component in Peru’s blueberry production. FAS Lima estimates that U.S. investment in the Peruvian blueberry industry accounts for roughly 6,000 hectares, totaling around \$400 million.

Policy

Peruvian blueberries benefit from the U.S. - Peru Free Trade Agreement (PTPA), allowing Peru to export blueberries to the United States tariff-free. This bilateral agreement, signed in 2009, has helped grow the blueberry industry in both countries. Since 2013, U.S. blueberry genetics have been entering tariff-free and expanding in Peru, where the plants are grown, and the fruit is harvested and shipped back for consumption in the United States. Over fifty percent of Peruvian blueberries are consumed in the United States.

Peru is looking to grow its blueberry exports worldwide. According to official sources, in 2023, Peruvian blueberries added Israel and Jordan as new destinations. Currently Peru has blueberry market access to 32 countries. Common sanitary requirements are cold treatment due to fruit fly concerns and physical inspections upon arrival.

Peru's Agricultural Sanitary Agency (SENASA) plays a leading role in the monitoring and control of fresh fruits for exports. Every harvest campaign, SENASA updates a list of registered production areas and processing plants. According to official current data, SENASA has registered 398 blueberry production sites. In addition, 73 packing and treatment facilities have been registered for MY 2023/24.

Production farms: [Lugar Producción Arándano \(senasa.gob.pe\)](http://senasa.gob.pe)

Packing & Treatment plants: [Empacadora Arandano \(senasa.gob.pe\)](http://senasa.gob.pe)

PROARANDANOS is the Peruvian blueberry trade association, which represents 80 percent of the total blueberry export industry. Founded in 2014, PROARANDANOS leads industry efforts towards research, development, and public and private coordination.

Attachments:

No Attachments.